

Structuring an Investor Pitch

The Business Value Concept

Every stakeholder to a business has a different concept of its value

FOR EXAMPLE:

- Customers: products/services
- Employees: salary/purpose
- Suppliers: revenue
- Society: social good
- Shareholders: investment return
- Government: taxes/jobs/social benefit
- Founders

→ Value is not always perceived in monetary terms

You must therefore target your pitch appropriately

Investor Pitch

Title
Problem
Solution
Underlying Magic
Market
Competitive Positioning
Business model
Progress and Plan
Team
Finance
Investment Offer

Customer Pitch

Title
Problem
Solution
Technology
Demo
Competitive Positioning
Team
Sales Model
Next Steps

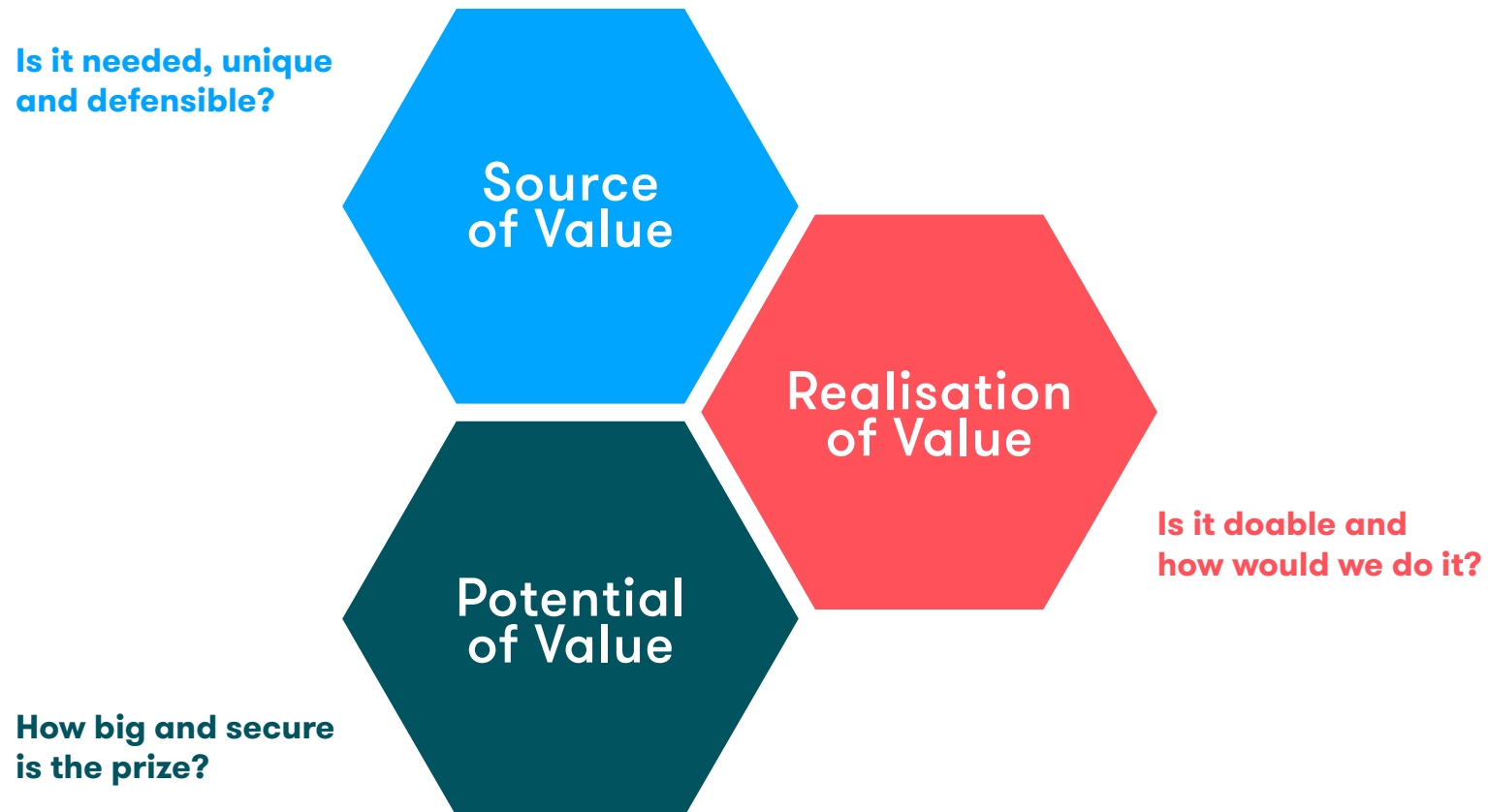
Partner Pitch

Title
Problem
Solution
Underlying Magic
Demo
Competitive Positioning
Team
Partnership Model
Next Steps



Source: based on The Art of the Start, Guy Kawasaki, 2004

The information an investor expects is captured in the Business Value Concept



Each part of the Business Value Concept can be broken into three further blocks

1
**Source
of Value**

**The
Problem**

What is the problem that you have identified?
What could be done better?

**The
Solution**

What is your solution to the problem?
What is your idea?
What is the value proposition to the customer (*why* would they want it)?

**Underlying
Magic**

What is the “valuable new thing” behind the solution?
What is the unique source of value? E.g: technological invention, design, assets, brand, creativity, etc.
How can you protect/maintain/develop it?

2
**Potential
of Value**

**The
Market**

How big is your target market?
Who are the key customers?
What are the market trends?
Is the timing right?

**Competitive
Positioning**

Who are your main competitors? What is your USP and how does this position you versus competitors?
What products and/or services would you displace?

**Business
Model**

What are the key activities you will undertake in the value chain? What won't you do? Who will be your suppliers, customers and partners? How will you make money?

3
**Realisation
of Value**

Plan

What steps must you take to establish your business as a profitable venture?
What are the milestones that will create value?
What resources will you need?
What are the critical next steps?

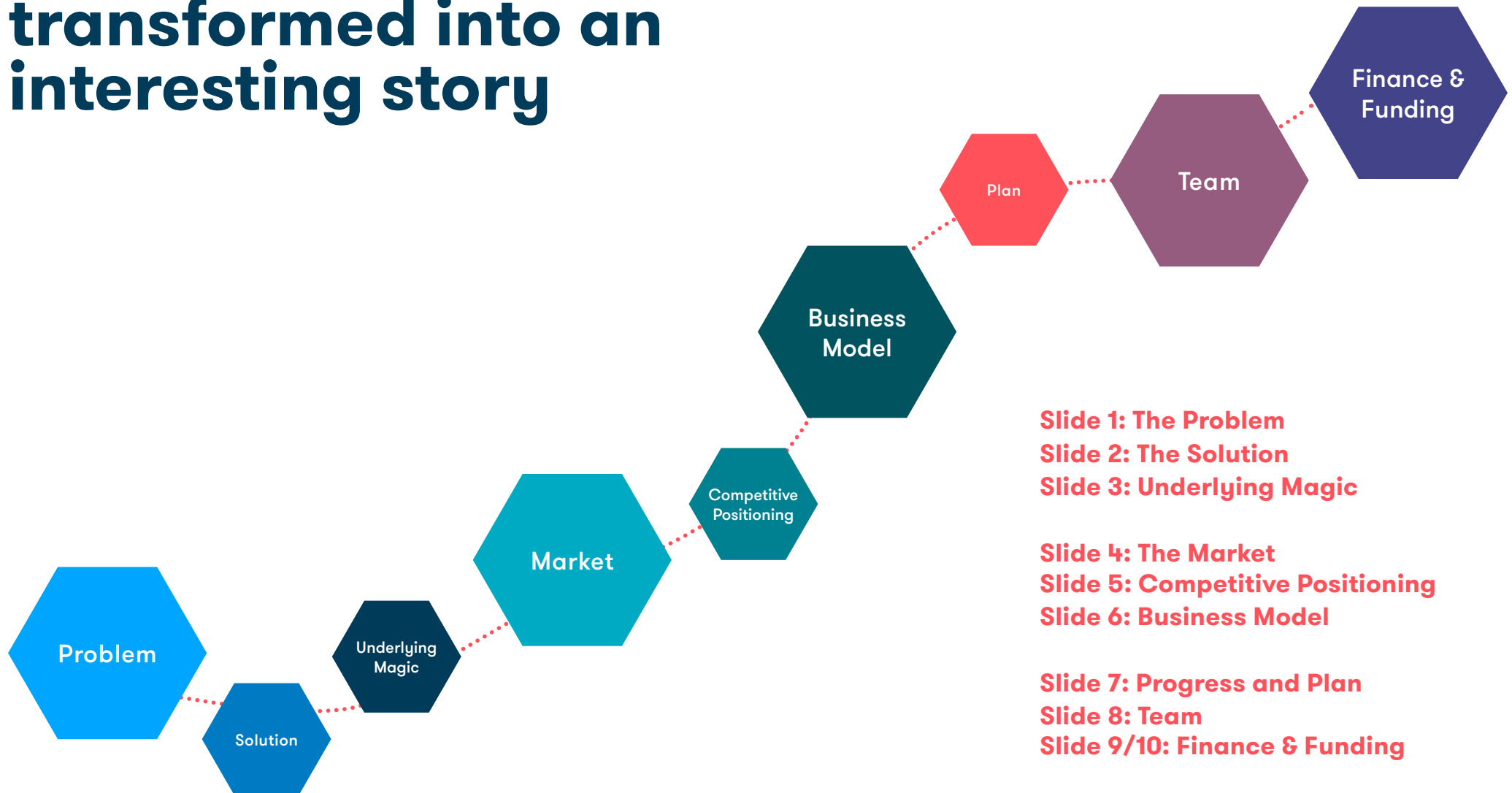
Team

Who is in your team and what are their roles?
What are their skills? Where are the gaps? What other resources will you need?
How will you develop and utilise your network?

**Finance &
Funding**

What are your forecast sales and costs? How do these translate into income and cash flow statements?
When will you breakeven?
How will you finance your business? What do you need now?

The nine blocks can then be transformed into an interesting story



Slide 1: The Problem
Slide 2: The Solution
Slide 3: Underlying Magic

Slide 4: The Market
Slide 5: Competitive Positioning
Slide 6: Business Model

Slide 7: Progress and Plan
Slide 8: Team
Slide 9/10: Finance & Funding

Q&A slide
Backups

Homo Investicus



It's going to take a lot to impress me – I've seen **1,000s of business plans!**

Slide 0: Title Slide

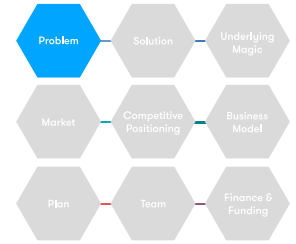


Our
New
Company
Logo

“Our New Company”
“short description of what we do”

Meeting with Google Ventures – 1st April 2016
Bob Jones, Chief Executive Officer
E: bob.jones@ournewcompany.com
T: 077 434 24 24

Slide 1: The Problem



The Problem

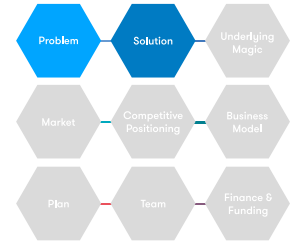
What is the problem that you have identified?

What could be done better?

Tips & questions

- 1 Plausible explanation of the problem
- 2 Use pictures and comparisons where appropriate
- 3 Use an example to illustrate the problem where appropriate
- 4 Who is affected?
- 5 Is it a common problem?
- 6 What happens if you do not solve it?

Slide 2: The Solution



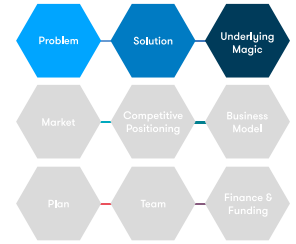
The Solution

What is your solution to the problem?
What is your idea?
What is the value proposition to the customer
(why would they want it)?

Tips

- 1 Special features of the product (up to 3)
- 2 Pictures and illustrations of the product (prototype)
- 3 Value proposition
- 4 Future products / orders in the pipeline

Slide 3: Underlying Magic



Underlying Magic

What is the “valuable new thing” behind the solution? What is the unique source of value? E.g: technological invention, design, assets, brand, creativity, etc.
How can you protect/maintain/develop it?

Tips

- 1 Describe the unique technology, secret or magic behind your solution
- 2 Use images
(diagrams, flow charts, photos)
- 3 Present proofs of concept
(e.g. prototype, performance data, study results)
- 4 Describe intellectual property (IP) status and protection strategy

Slide 4: The Market



The Market

How big is your target market?
Who are the key customers?
What are the market trends?
Is the timing right?

Tips

- 1 Describe market potential (size and growth) of the addressable market and your target segment(s)
- 2 Present top-down market sizing (“x million people...”) with bottom-up check of market share (what is doable for you?)
- 3 Customer list (potential or real)

Slide 5: Competitive Positioning



Competitive Positioning

Who are your main competitors?
What is your USP and how does this position you versus competitors?
What products and/or services would you displace?

Tips

- 1 Describe market structure and actual or potential competitors (e.g. using USP and competitor positioning map)
- 2 Say why you are good, not why the competition is bad!
- 3 Compare your price with the market price (or cost savings for buyers)

Slide 6: Business Model



Business Model

What are the key activities you will undertake in the value chain? What won't you do? Who will be your suppliers, customers and partners? How will you make money?

Tips & questions

- 1 Describe your role in the value chain (what you will do and what you won't do)
- 2 Describe how you will make money
- 3 Name existing customers and partners
- 4 Is revenue one time or recurring?

Slide 7: Progress & Plan



Plan

What steps must you take to establish your business as a profitable venture? What are the milestones that will create value? What resources will you need? What are the critical next steps?

Tips

- 1 Present your “go to market” road map highlighting key milestones that create value, e.g: tech development, tests, IP protection, partnerships, first sales
- 2 Describe your progress to date highlighting milestones achieved
- 3 Indicate next steps, e.g: recruitment of key personnel, new facilities

Slide 8: Team



Team

Who is in your team
and what are their roles?
What are their skills? Where are
the gaps? What other
resources will you need?
How will you develop
and utilise your
network?

Tips

- 1 List management name/function/title,
and relevant education & experience
(+photos)
- 2 List members of (Science/Business)
advisory board (if you have one)
- 3 Identify the gaps in your team and
describe your strategy for filling them
- 4 Detailed CVs in the Q & A section

Slide 9: Finance & Funding



Finance & Funding

What are your forecast sales and costs? How do these translate into income and cash flow statements?
When will you breakeven?

Tips

- 1 Tabulate sales, net profit, free cash flow, headcount
- 2 Indicate time to breakeven
- 3 Price and quantity could be helpful
- 4 Distinguish between product lines
- 5 Be prepared to reveal more in Q & A

Slide 10: Finance & Funding



Finance & Funding

How will you finance your business?

What do you need now?

Tips

- 1 How much do you need today and what will it be used for?
- 2 How much do you need to raise in later rounds to reach later milestones?
- 3 When can investors expect an exit & how (name potential buyers)?

Q&A TIPS

- Let the CEO or team leader present
- Stay calm and never lie
- If you have no answer, admit it!
- Do not start a debate
- Make notes (this also shows that you are willing to learn)
- Know your presentation by heart
- Know your numbers (revenue, profit, cash burn-rate)
- Write-up the meeting and follow-up soon afterwards

Slide 10: Q&A

Use hyperlinks slide to navigate during the Q&A

Market

- Size
- Market Research
- Needs
- Competitive tech

Tech

- IP protection
- IP in product
- Uniqueness
- Field testing

Finance

- Awards
- Grants
- Sales
- Use of Funds

